

Building tomorrow's railway



Sustainability Report 2020



At Porterbrook, sustainability and innovation are integral to everything we do

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A message from Mary Grant, CEO



I am delighted to introduce Porterbrook's 2020 sustainability report.

The 2020 Covid-19 pandemic could have signalled a step back in interest for Environmental, Social and Governance (ESG) considerations, with the short-term public health and economic emergency taking prevalence. Actually, sustainability has never been more prominent in the minds of policymakers and investors.

2020 demonstrated the importance of understanding the resilience of operations across value chains. It triggered a renewed focus on health and wellbeing in the context of remote working. As COP26 brings world leaders together to tackle climate change in November 2021, the pandemic will have also demonstrated how quickly and profoundly behaviours can change when the public understands the nature of the emergency.

Transport is the UK's largest emitting sector of greenhouse gas emissions. Rail is a relatively low-carbon mode of transport, but we need to do more. The industry took important steps in 2020 with the publication of Network Rail's Traction Decarbonisation Network Strategy (TDNS) and Porterbrook is committed to playing its part.

Our people remain integral to the success of our business and we have redoubled our focus on delivering a safe and supportive working environment during the pandemic. We have continued to support the development of all employees in skills, training and wellbeing which has been reflected in our Investors in People Gold accreditation, achieved a full year ahead of our original plan. We also received our highest score from the Global Real Estate Sustainability Benchmark (GRESB), achieving a 5-Star rating for the second consecutive year. Our 2020 score of 93 / 100 places us 17th out of 406 participating companies globally. We will endeavour to build on this and continue to embed ESG considerations within all our decision-making.

The role of the railway in Britain's economic and social life has evolved over almost 200 years, enabling people and goods to flow freely across the country. That ability to continue adapting and adjusting will be vital as new patterns of commuting, business and leisure travel emerge from the pandemic. Whatever lies ahead, Porterbrook is prepared and ready to support the delivery of a more sustainable and resilient railway.

A handwritten signature in black ink, appearing to read 'Mary Grant'.



Our vision is to be the UK market leading provider of rail leasing and asset management support

Our mission is to provide high-quality, digitally-enabled rolling stock solutions that help deliver a safe, reliable and sustainable railway

Our values



Respect

For colleagues, customers and industry partners



Integrity

In all that we do



Excellence

In customer service, engineering innovation and asset management



Delivery

Adding value to our customers and shareholders



Sustainability

Inclusive, ethical, focused on the community and the environment



Who we are

Porterbrook has been at the heart of the UK rail network for over 25 years and currently owns around a quarter of the national passenger rail fleet

In October 2014, the Porterbrook Group of companies was acquired by a consortium of investors including Alberta Investment Management Corporation ("AIMCo"), Allianz Capital Partners ("ACP") on behalf of certain insurance companies of the Allianz Group, EDF Invest and a consortium of Utilities Trust of Australia ("UTA"), The Infrastructure Fund ("TIF") and NatWest Pensions.

The company currently has around 4,000 vehicles on lease or on order. Since privatisation, it has invested £3bn in 2,500 new passenger and freight vehicles, and is aiming to invest over £1bn in UK rail over the coming years.

Innovation is at the heart of Porterbrook's whole life asset management approach. In collaboration with our industry partners, we are constantly looking ahead to anticipate future needs and proactively develop our rolling stock.

Porterbrook works with over 100 UK companies across the rail supply chain, investing £3 million per week and supporting around 7,000 UK jobs.

The company is also spending tens of millions of pounds in a significant upgrade of its fleets to reduce carbon emissions and improve air quality over the coming years.

Porterbrook employs over 150 people of which three quarters are engineers and project managers. In addition, over a third of the company's workforce is female including a number of our executive team which compares favourably to the UK rail industry average of 16%¹.

¹ Women in Rail (2015) Women in Rail: Industry Survey. Available at: <https://womeninrail.org/wp-content/uploads/2014/04/WR-Industry-Survey-Report-December-2015.pdf>



Our approach to sustainability

For Porterbrook, sustainability is first and foremost about remaining economically sustainable whilst minimising the environmental impacts of our operations and maximising social benefits

In 2019 we commissioned an independent materiality assessment to identify the sustainability issues which matter the most to our stakeholders and have the highest significance for the business. The assessment included benchmarking our performance, internal and external stakeholder interviews, and a review of macro trends shaping the economy and society. The results of the materiality assessment, shown in the matrix below, have continued to drive our approach to sustainability into 2020.

Importance to stakeholders		Relevance to Porterbrook		
		Moderate	Significant	Major
Major		<ul style="list-style-type: none">● Independent review and challenge● Climate resilience● Stakeholder engagement and satisfaction	<ul style="list-style-type: none">● Climate change mitigations● Air quality● Operational safety	
	Significant	<ul style="list-style-type: none">● Disposal of end of life vehicles	<ul style="list-style-type: none">● Collaboration and partnerships● Transparency and engagement● Ethics value and culture● Sustainable material use● Creation of social value	<ul style="list-style-type: none">● Carbon measurement and accounting● Supporting economic growth● Equality, diversity and inclusion● Health, safety and well-being of workforce
		Moderate	<ul style="list-style-type: none">● Waste minimisation● Water pollution● Noise pollution● Land contamination● Biodiversity	<ul style="list-style-type: none">● Equitable labour practices● Community engagement

- Environment
- Social responsibility
- Our people
- Governance and leadership



Our sustainability framework

Our sustainability framework is aligned to the United Nations Sustainable Development Goals² and RSSB's Rail Industry Sustainable Development Principles³. The framework is structured around four themes, each supported by relevant policies and procedures.

We recognise the importance of third-party reviews to monitor and improve our sustainability performance through a range of accreditations and the annual GRESB assessment.

Theme	Pillar	Policies	GRESB	Third-party certifications	SDGs
Environment	Climate change and air quality	Environment & energy policy	✓	ISO 14001 targeted in 2021	3, 9, 11, 12, 13
	Natural resources				
Social responsibility	Positive economic contribution		✓	ISO 44001	17
	Community engagement				
People	Skills and talent management	Human resources policies & procedures	✓	Investors in People (Gold accredited)	3, 5
	Health, safety and wellbeing	Safety policy		Disability confident employer	
	Diversity & inclusion				
Governance and leadership	Ethical and responsible business	Code of practice	✓	ISO 20400 targeted in 2021	8,16,17
		Code of conduct for suppliers			
		Whistleblowing			
		Anti-slavery and human trafficking			
		Lobbying policy			

² United Nations (2020) Sustainable Development Goals. Available at: <https://sdgs.un.org/goals>

³ RSSB (2020) Rail Sustainable Development Principles. Available at: <https://www.rssb.co.uk/research-and-technology/sustainability/rail-sustainable-development-principles>



Sustainability objectives and performance

Over the coming years we will:

- Establish and publish a comprehensive GHG inventory and set reduction targets in 2021
- Continue to roll out technologies that reduce the contribution of our assets to local air pollution
- Implement a formal environmental management system certified to ISO 14001 in 2021
- Aim to achieve Investors in People Platinum accreditation
- Aim to achieve the We Invest in Wellbeing accreditation in 2021
- Improve waste management in our offices and identify opportunities to move towards more circular models for the maintenance, refurbishment and disposal of our rolling stock assets
- Embed sustainability in the development of the Long Marston site in Warwickshire, which we will take over from June 2021

Our suite of sustainability indicators helps us monitor ESG performance

		2020	2019
Environment	Office waste (T) Shred-it data	1,075	4,579
	Water consumption (m³) From Derby office	305	483
	Electricity use (MWh) From London and Derby offices	210	269
Social responsibility	Community investment Total monetary donations and sponsorship of charitable organisations	£71,047	£50,995
	Rail vehicles donated Total number of end-of-life vehicles donated to community projects	72	17
People	Gender diversity (%) Percentage of female employees	34%	33%
	Training spend per employee Total training spend divided by the numbers of FTEs	£578	£478
	Absentee rate Percentage time lost to sickness	1%	1%
	Reportable accidents Total reportable injury rate	0	0
Governance and leadership	ESG-related misconduct, penalties, incidents or accidents	0	0



GRESB infrastructure assessment

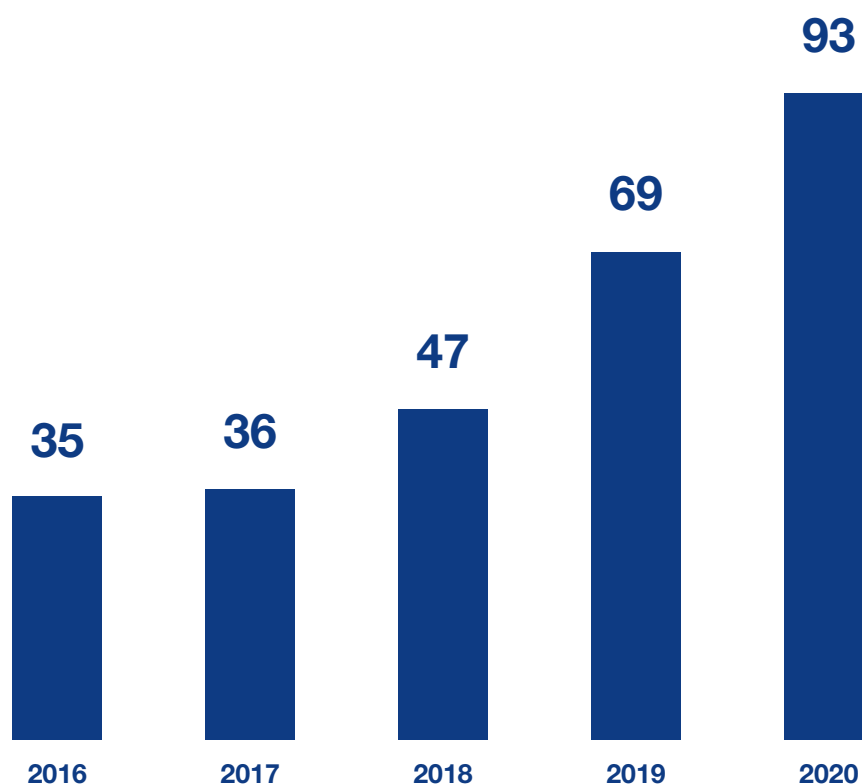
Benchmarking performance

The Global Real Estate Sustainability Benchmark is a leading international ESG framework for infrastructure investments.

Since our first assessment in 2016, GRESB has provided us with a powerful framework to measure our sustainability performance and drive continuous improvement.

In 2020, we obtained our highest ever overall score (93 out of 100), achieving a 5-star rating for the second year in a row. Porterbrook came 17th globally out of 406 participants in the Infrastructure category.

Since 2016, our overall
GRESB score has increased
from 35 to 93 / 100





Environment

At Porterbrook, we believe in the power of innovation to drive a more sustainable railway

This year the UK rail industry made significant steps towards a more sustainable railway.

Through RSSB, the industry established a framework⁴ to better understand, monitor and mitigate its impact on local air quality.

Network Rail's TDNS report⁵ set out a roadmap for decarbonising rail traction energy through incremental electrification, alongside the deployment of hydrogen and battery-powered trains.

Porterbrook is committed to working with industry partners, alongside central and local governments, to address these challenges. Innovation is key to building tomorrow's railway today, through:

- the early deployment of zero-carbon traction technologies
- the development of interim decarbonisation solutions to minimise the environmental impact of existing diesel trains
- the application of the latest digital technologies to improve efficiencies, drive reliability on the network, improve the passenger rail user experience and encourage a modal shift away from more polluting modes

4 RSSB (2020) Air Quality Framework. Available at: <https://www.rssb.co.uk/what-we-do/insights-and-news/news/Rail-industry-launches-Air-Quality-Strategy-Framework>

5 Network Rail (2020) Traction Decarbonisation Network Strategy. Available at: <https://www.networkrail.co.uk/wp-content/uploads/2020/09/Traction-Decarbonisation-Network-Strategy-Executive-Summary.pdf> (Accessed 04 November 2020).



Towards a zero-carbon railway: hydrogen

“As we continue on our road to a green recovery, we know that to really harness the power of transport to improve our country – and to set a global gold standard – we must truly embed change. That’s why I’m delighted that through our plans to build back better we are embracing the power of hydrogen and the more sustainable, greener forms of transport it will bring.”

Rt Hon Grant Shapps MP, Secretary of State for Transport.

“Successful mainline testing is a major milestone for HydroFLEX and is a clear demonstration of the important role hydrogen has to play in the UK’s rail industry. Through the University and Porterbrook, we are looking forward to delivering this technology into the UK transport market, ensuring a cleaner future for our railways.”

Prof. Stephen Jarvis,
University of Birmingham.

HydroFLEX

HydroFLEX, the UK’s first hydrogen-powered train developed in collaboration with the University of Birmingham, was unveiled in June 2019.

In September 2020, HydroFLEX embarked on its first operational trial on the mainline railway following two years development work and an investment of over £1m by both Porterbrook and the University of Birmingham. Porterbrook is now investing a further £5m in the development of a fully productionised version of HydroFLEX, ready for passenger service trials as early as Q4 2021.

This year, HydroFLEX won ‘Transport Project of the Year’ in the BusinessGreen Leaders Awards and ‘Environment and Sustainability’ in the RISE awards⁶. We were also delighted to receive Highly Commended in the ‘Environment’ category of the Rail Industry Innovation Awards. The project was recognised for ‘Business Collaboration’ with the University of Birmingham at the Guardian University Awards.

The HydroFLEX mainline testing programme has been supported by Innovate UK, who have provided £750k in funding to the project.



⁶ RISE: Rail Industry Supplier Excellence awards from the Railway Industry Association



Towards a zero-carbon railway: battery technology



ElectroFLEX

Porterbrook is trialling the fitment of battery technology to the existing Electrostar fleet. This will enable the removal of diesel trains from non-electrified routes south of the Thames. As well as improved air quality, there are also operational benefits from standardisation on the Electrostar platform, enabling operations both 'on' and 'off' the third-rail network.



BatteryFLEX

By using the latest battery technology, we can extend electrification without needing overhead wires. Based on the highly reliable Class 350/2 EMU, BatteryFLEX can run on both electrified and non-electrified routes. This application of battery technology will be of particular interest to transport authorities as they look to extend electrification and accelerate the removal of diesel-only trains.



Interim decarbonisation solution

Whilst not part of a zero-carbon railway, diesel power has a key role to play in achieving interim emissions reduction targets before 2050. In particular, the TNDS report identifies a strong case for hybrid and bi-mode trains to support a gradual reduction in GHG emissions and bring forward the benefits of electrification.



FLEX

FLEX is an electric train with a retrofitted low emissions (Stage IIIB compliant) engine. By improving operational flexibility across electrified and non-electrified routes, FLEX helps to make the case for incremental electrification of the railway.

The first Class 769 FLEX unit entered passenger service in Wales on 16th November 2020. 2021 will see 8 units being introduced in Northern, with a further 19 units to start passenger operations on the Great Western Railway network.



HybridFLEX

Porterbrook has partnered with Rolls Royce to develop HybridFLEX, an upgrade of existing diesel trains with a new battery pack and a low emission, EU Stage V compliant diesel engine.

The technology combines the advantages of diesel and battery-powered rail traction to enable low noise, zero-emissions operation in urban areas and around stations.

In July, one of our Class 168 trains, operated by Chiltern Railways, entered Gemini Rail's Wolverton works for conversion into our first HybridFLEX ahead of passenger service operations in 2021.



Improving local air quality

Eminox

We are delighted to have won the Sustainable Business Award at this year's National Rail Awards for our work on air quality in collaboration with Eminox and South Western Railway (SWR). Our retrofit technology, supported by Innovate UK, is a cost-effective way of significantly reducing the emission of harmful pollutants from diesel-powered trains.

Our trial on a SWR Class 159 vehicle reduced NOx emissions by 75% and particulate emissions by over 90%, delivering improved air quality at stations from Waterloo to Exeter. Building the success of the First in Class trial, the technology will be rolled out to our Class 158 fleet operated by Great Western Railway. A further project is underway to trial after-treatment technology on the Class 170 fleet operated by East Midlands Railway.





Digital technologies driving sustainability

To encourage a shift away from carbon-heavy modes of transport, rail needs to provide sufficient capacity and a reliable service for passengers and rail freight users

At Porterbrook, we strongly believe in the power of digital technologies to drive enhanced network reliability and increased capacity. Since 2018, we have been investing in digital technologies to unlock the potential of under-used or siloed data, working collaboratively with train operators, Network Rail and the supply chain.

Investment in a Data to Action Reliability Taskforce (DART):

In November 2020, we launched DART, targeting a sustained reduction of 45,000 delay minutes across the network.

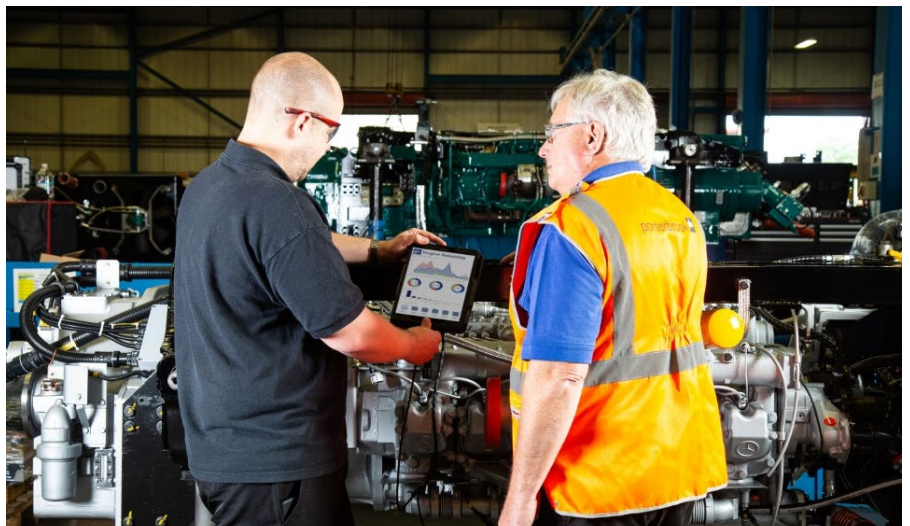
In collaboration with six train operators, we are targeting a 60% reliability improvement for targeted sub-systems on our Turbostar fleets. In addition, we are working with Network Rail to use passenger trains to monitor rail tracks and reduce infrastructure-related delays across the network.

This project has been fully funded by Porterbrook and includes a £2m investment in hardware, with an additional £1m investment in the digital supply chain.

Smart signalling

In 2020, Porterbrook undertook the UK's first retrofit of ETCS⁷ equipment to existing trains, allowing enhanced capacity and performance on the Heathrow Express service.

The upgraded fleet of 12 Class 387 trains successfully entered passenger service on 29th December 2020.



⁷ ETCS: European Train Control System



Social responsibility

We are committed to being a good corporate citizen of Britain's railway





A sustainable supply chain

We are committed to ensuring that our supply chain adheres to the same standards and sustainability principles as we do

Our suppliers are subject to a comprehensive risk review that is aligned with RISAS⁸, and our code of conduct for suppliers sets out the standard of behaviour which Porterbrook expects from its supply chain partners, including in relation to ESG issues. We also piloted our first ESG supplier survey, allowing us to better understand sustainability issues and initiatives across our supply chain.

The process allows us to ensure that our sustainable procurement strategy is adhered to, whilst encouraging our suppliers to consider the transparency of their own supply chains. Porterbrook is aiming to be ISO20400 verified in 2021.

Supporting SMEs through our Innovation Hub

The hub was launched in 2019 to give SMEs the opportunity to showcase their innovations in a real train environment, without the high cost that would usually act as a barrier for smaller firms. Although this year's edition was halted by Covid-19, the launch of our Virtual Innovation Hub gave SMEs the opportunity to share their ideas remotely.

The hub won the 'Cross-Industry Partnership' award at the Railway Industry Innovation Awards in October 2020.

Responsible decommissioning of life-expired trains

We try to ensure that life-expired trains enjoy a second lease of life in their retirement. In 2020 we donated 72 former front-line assets to various community and heritage groups, including The Corby Model Railway Society, Crewe Heritage Centre and Telford Steam Railway.

We also donated pacer carriages to the DfT's 'Transform a Pacer' competition. In January, Platform 1, a men's mental health charity, Airdale NHS Trust and Fagley Primary School were announced as worthy winners and are now converting their carriages into a kitchen, a non-clinical space and a new science lab, all in the North of England.

Where a donation is not possible, redundant vehicles are placed with specialist contractors who manage their safe dismantling, with parts and materials redeployed and recycled where possible. In 2020, we sent 4,888 tonnes of waste to SIMs Metal Management, achieving a 93% recycling rate.



⁸ RISAS: Rail Industry Supplier Approval Scheme



Positively contributing to society



Supporting the Railway Children charity

Industry charity, Railway Children has been hard hit by Covid-19, with the cancellation of key annual fundraisers. In response, the industry has come together under the banner of Rail Aid to try and address some of this shortfall and keep the charity in the public eye.

Rail Aid, of which Mary Grant is an Ambassador, is a programme of fundraising that culminated in a week of charitable events at the end of November. Porterbrook donated 25 locomotive nameplates to the Rail Aid auction and secured an additional £51,000 for the charity. Internal fundraising activities allowed Team Porterbrook to raise over £5,000 to add to the Rail Aid total.

In January 2020, Porterbrook staff participated in a Sponsored Sleepout which contributed almost £2,500 to the national fundraising total of £155,000. As the lockdown restrictions eased over summer, a number of our employees also organised a series of socially distanced wellbeing walks, raising over £1,400 for the Railway Children.



Staff support

We admire how our staff challenge themselves to support causes which are close to their hearts, and we are always happy to support their fundraising efforts. This year our team has fundraised for Teenage Cancer Trust, Prostate Cancer UK and the Railway Children to name a few.

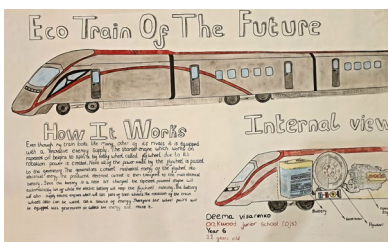




Investing in future skills

In January 2020, we launched our volunteering scheme which gives employees the opportunity to spend two paid days working on community projects. Some employees have used the scheme to support Enterprise for Education, a scheme run by Derby City Council that aims to link employers with students to improve their employability skills.

Porterbrook sits on the Derby College Group Rail Employment Skills Academy Board and actively engages with the students at workshops and events. Porterbrook ran an activity to promote rail at a Women in STEM event in March 2020.



The 'Green Train of the Future' competition, run in partnership with Our Future Derby, encouraged pupils from over 20 different schools to design an environmentally friendly train that could run on Britain's railway.

As part of our outreach to local schools and in partnership with the Rail Forum Midlands we again sponsored iRail, which sees students in schools from across the East and West Midlands participate in a range of engineering challenges.

This year we began a partnership with the Royal School for the Deaf Derby. We are excited by this new partnership and look forward to developing our relationship.



A Friend of the Railway Benefit Fund

In 2020 we became a friend of the Railway Benefit Fund, demonstrating our commitment to supporting Britain's railway family. RBF supports individuals across the UK rail industry by providing legal, debt and careers advice, offering both financial and career support.

Support for Flitetrak Face Shields

Porterbrook partner and Innovation Hub alumni, Flitetrak, used 3D printing to make face-shields for health care workers. Porterbrook made a donation of £1,000 to support their life-saving work. Andrew Barnett, MD of Flitetrak has made a significant difference to the multiple organisations who received the PPE.



Our people

Our comprehensive HR strategy is in place to ensure that we have an engaged and highly motivated team





In 2020 we were delighted to achieve the Investors in People Gold accreditation. We aim to achieve Platinum accreditation within the next three years

“You have achieved your goal to attain IiP Gold accreditation a full year ahead of your original, and ambitious plan... Your clarity of vision and unwavering focus have provided people with a clear and stable message that they have been able to work towards”

Amanda Ryalls, Investors in People

Developing our talents

Over the course of 2020 we had 7 staff undertaking apprenticeship programmes in operations, IT and finance. Our Graduate scheme also offers placements with the supply chain and train operating companies, delivering a well-rounded individual for the industry.

In August, we took on two engineering placement students from Sheffield Hallam and University of Birmingham. Placements are split into 6-month blocks where students experience different areas within Engineering Services, giving them a broad exposure to our projects and customers.

Diversity and inclusion

Female employees account for 34% of our workforce, more than twice the industry average⁹.



In 2020 Porterbrook committed to being a Disability Confident accredited employer, which means our recruitment process is inclusive and accessible to all, regardless of any disabilities.



We are a signatory to the Trades Union Congress' Dying to Work Charter, which is a cross-party campaign seeking additional employment protection for terminally ill workers.



Porterbrook is a Living Wage accredited employer. The living wage is a voluntary higher rate of pay which meets the basic cost of living in the UK.



This year we signed the Armed Forces Covenant, recognising the value of serving personnel and supporting the regular, reservist, veterans and military families who contribute to our business.



Best Companies

Porterbrook has been accredited as one of the Midlands' top companies to work for and received a coveted Best Companies Star Rating. Since 2006, Best Companies has surveyed thousands of employees and rated the UK's top places to work, measuring levels of workplace engagement and wellbeing.

⁹ Women in Rail (2015) Women in Rail: Industry Survey. Available at: <https://womeninrail.org/wp-content/uploads/2014/04/WR-Industry-Survey-Report-December-2015.pdf> (Accessed on 18 November 2019)



We will seek to achieve Investors in People's We Invest in Wellbeing award in 2021



Covid-19 and wellbeing

Porterbrook gave priority to the wellbeing of its staff throughout the Covid-19 pandemic. Those with families to care for were treated with respect and understanding and tailored support was given to those living alone.

We launched our Health and Wellbeing Focus Group with representatives from every function of the business. The group was tasked with agreeing how to support all our employees during lockdown and as restrictions changed.

In December, Porterbrook won the Investors in People award for Employee Engagement (under 250 employees). The judges commended our work on making employee engagement a priority during the pandemic.

Health and wellbeing initiatives

Our first Wellbeing Week ran virtually in August. Employees had the opportunity to take part in a variety of activities focusing on mental health and resilience, finances and time management. This included online lifestyle assessments, physiotherapy consultations and webinars with a resilience coach.

Employees from both our Derby and London offices have been trained in Mental Health First Aid this year. The training gives our first aiders the ability to identify, understand and support people who are suffering from mental health issues.

As part of our 25 for 25 campaign, employees took on the challenge of doing press ups to raise awareness for mental health. Participants were asked to make a video about the challenge, which gave them the opportunity to speak about mental health, opening up conversation and reducing stigma.

Porterbrook's 25 for 25





Health and safety

The health and safety of our colleagues, customers and the travelling public is integral to everything Porterbrook does.



Julie Bignell
Head of Safety and Operations

In 2020 we launched our first Safety Plan aligned to railway industry best practice, specifically the RSSB Leading Health & Safety on Britain's Railway document¹⁰. The Porterbrook Safety Plan has been designed to assist the business in achieving key milestones in safety management so that we can continually improve our health and safety performance for our colleagues, suppliers, contractors and industry partners.

Our approach to safety is focused on five guiding principles:



To select and manage competent suppliers who understand their safety obligations



To provide specifications and procedures which are clear and unambiguous



To implement effective management of ongoing activities



To implement effective management of change



To carry out relevant checks and audits with our supply partners and customers



10. RSSB Health and Safety <https://www.rssb.co.uk/safety-and-health/leading-health-and-safety-on-britains-railway>



Governance and leadership

Porterbrook benefits from a senior management team with unparalleled experience in the transport sector



Sir Adrian Montague
Chairman



Mary Grant
Chief Executive
Officer



Peter Coates
Chief Financial
Officer



Stephen McGurk
Chief Commercial
Officer



Jason Groombridge
Director,
Engineering Services



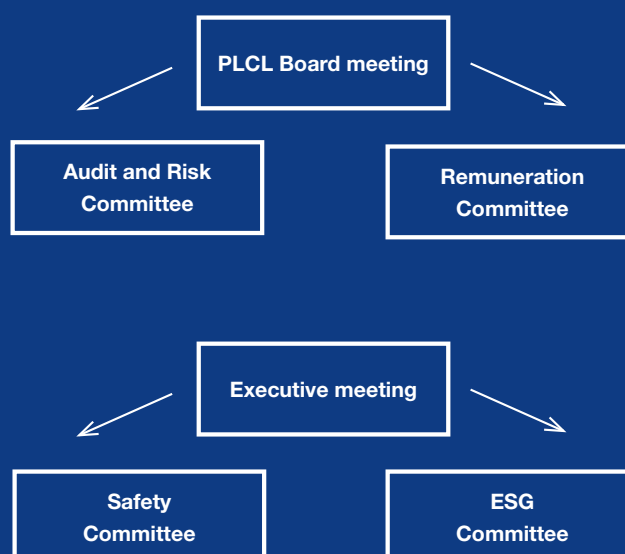
Chris McClure
General Counsel



Andy Pitt
Non-Executive
Director



Haydn Abbott
Non-Executive
Director





ESG oversight

Bruno Muller, Head of Strategy and Sustainability, is responsible for ESG issues. Board-level accountability sits with Mary Grant, Chief Executive Officer.

Any ESG-related misconduct, penalties, incidents or accidents are raised within 24 hours of the occurrence to the CEO or a member of the Executive team. Any issues will also be raised with our shareholders as part of our regular Board meetings. Details of incidents are reported and any resulting action plans agreed to ensure a repeat does not occur.

In 2020, an ESG Committee was formed to assist the Executive Committee in defining Porterbrook's sustainability strategy, and to ensure that the agreed initiatives are implemented, effective and maintained.

To ensure an appropriate level of resourcing to manage ESG issues, Porterbrook appointed its first Sustainability Advisor in 2020.

ESG risk management

Corporate risk management processes are supplemented by a register of ESG issues and risks. This identifies the relevance of individual attributes under ESG and records mitigating actions where the item is identified as a risk to the organisation. The register is regularly updated and shared with the Executive and Audit and Risk Committee.

Corporate risk management process

Risk identification	Identification of risks that could prevent Porterbrook achieving its strategic objectives. These are documented in the group's corporate risk register
Determination of gross risk	The likelihood (probability) and impact (severity) of each risk is assessed and assigned a five-point rating from high to low
Risk mitigation	Existing and additional required activities that would reduce the likelihood or impact of the risk are identified and responsibility for their effective implementation assigned to a member of the Executive team. Risk mitigation may take the form of risk reduction or transfer
Determination of net risk	The likelihood and impact of the risk, after mitigating actions, is considered together to define an overall net risk
Risk reporting and compliance	An update is provided to the Audit and Risk Committee three times a year. The full corporate risk register is also shared with the Committee once a year. The effective operation of mitigating actions is checked during relevant internal audits completed throughout the year, the results of which are reported to the Audit and Risk Committee



Relevant policies

We operate several policies to ensure that business is conducted in an ethical and transparent manner, including:

Policy	Purpose
Safety	Our health and safety policy ensures appropriate working conditions for all employees and contractors, including any necessary training
Environment	This policy outlines the four sustainable and environmental objectives that Porterbrook will direct its business activities towards
Code of practice	This is a voluntary code setting out Porterbrook's business philosophy and the company's core working values
Code of conduct for suppliers	This code sets out the standard of behaviour expected of suppliers to our business. This has been updated in 2020 to ensure that ESG issues are covered in detail
Anti-slavery and human trafficking	Porterbrook has a zero tolerance approach to modern slavery and publishes an annual statement that sets out the steps we undertake to ensure that modern slavery is not taking place within our business or supply chain
Whistleblowing	A policy to ensure that all employees know that they can raise concerns about practices within our business or supply chain, without fear of reprisals
Human resources	There is a full suite of modern and progressive HR policies in place which comply with UK legislation and in many cases, go beyond the statutory minimum
Lobbying	The policy ensures that Porterbrook remains politically neutral as we work with policy makers, elected officials and representatives



Building tomorrow's railway

Sustainability Report 2020

You can find out more about how Porterbrook manages sustainability by visiting our website:

porterbrook.co.uk/sustainability

We welcome feedback from our stakeholders. Should you have any comments, thoughts and ideas on how we might improve, please write to:

enquiries@porterbrook.co.uk